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THE IMPACT OF MALAYSIA AIRLINES' ONLINE PAYMENT SYSTEM ON PURCHASE INTENTION AMONG MALAYSIAN CONSUMERS

Mohamad Alif Azmiezal Mohd Azmi[1], Ng Vi Anne[2*], Megat Muzammir Megat Abu Bazar[3]

[1] Department of Business Management, Universiti Teknologi MARA, Malaysia
Email: azmiezal@uitm.edu.my

[2] Azman Hashim International Business School, Universiti Teknologi Malaysia, Malaysia
Email: ngvianne@graduate.utm.my

[3] Department of Business Management, Universiti Teknologi MARA, Malaysia
Email: megatmuzzamir@uitm.edu.my

* Corresponding Author

Article Info:

Abstract:

With the rapid advancement of digital transactions in the aviation industry, the online payment system has become a pivotal element influencing customer purchase intention. This study examines the impact of Malaysia Airlines' online payment system on the purchase intention of Malaysian consumers. The study investigates key factors such as performance expectancy, effort expectancy, and price value, which contribute to consumers' purchase intentions when using the airline's online payment system. A quantitative research approach was adopted, with data collected through surveys distributed among Malaysian consumers who have utilized Malaysia Airlines' online payment system. Statistical methods including descriptive analysis, reliability testing, correlation analysis, and regression analysis were applied to examine the relationships between variables. The findings reveal that a user-friendly interface, simplified processes, and transparent pricing policies significantly influence consumer trust and satisfaction, thereby shaping their purchase intention. These results provide strategic insights for Malaysia Airlines in refining its online payment system to align with customer preferences, ultimately enhancing customer experience and increasing purchase intention.

Keywords:

Introduction

The aviation industry has undergone a significant transformation with the integration of online payment systems, enhancing the ticket booking experience by offering convenience, efficiency, and security (Heiets et. al, 2022). Malaysia Airlines, a prominent player in this sector, has embraced digital payment solutions to meet evolving consumer expectations. The adoption of such technologies not only streamlines transactions but also influences consumer purchase intentions. Kigamwa et al. (2024) examined the effect of e-commerce technologies such as e-ticketing, e-marketing, e-cargo ordering, and e-payment services on the financial performance of airline operators. Their study found that integrating digital services significantly enhances airline efficiency and revenue generation.

Despite the benefits, consumer concerns regarding usability, transaction security, and pricing transparency persist. Issues such as payment failures, refund delays, and unclear transaction fees can negatively impact customer satisfaction and trust. For instance, Malaysia Airlines introduced MHPay to offer a seamless and secure payment option, aiming to reduce transaction times and enhance payment security (Travel Trade Journal, 2022). However, challenges remain in fully addressing consumer apprehensions.

Understanding the factors that influence purchase intentions is crucial for airlines aiming to enhance their online payment systems. Performance expectancy, effort expectancy, and price value are key determinants that directly influence purchase intention in the context of online transactions. Performance expectancy relates to the perceived benefits of using the system, effort expectancy pertains to the ease of use, and price value considers the cost-benefit trade-off (Rizkalla et al., 2023). A study focusing on consumer buying intentions of e-commerce airfares highlighted that perceived ease of use and price sensitivity significantly impact behavioral intentions (Naruetharadhol et al., 2022). The purchase intention (PI) of Malaysia Airlines customers is shaped by several factors, one of which is the efficiency and convenience of its online payment system. A smooth and user-friendly payment experience can enhance customers' willingness to complete a purchase with the airline. In the current digital era, online payment platforms significantly influence consumers' overall satisfaction and experience with the airline (Zouari & Abdelhedi, 2021).

This study aims to assess the impact of Malaysia Airlines' online payment system on Malaysian consumers' purchase intentions by examining the relationships between performance expectancy, effort expectancy, and price value. By addressing these factors, the study aims to provide valuable insights for Malaysia Airlines to enhance its online payment system, better align with customer preferences, and ultimately improve the overall customer experience while driving higher purchase intentions.

Literature Review

The integration of online payment systems in the aviation industry has revolutionized the ticket purchasing process, offering enhanced convenience and efficiency to consumers (Garcia, 2023). This transformation necessitates a comprehensive understanding of factors influencing consumer purchase intentions, particularly within the framework of the Unified Theory of Acceptance and Use of Technology (UTAUT).

Online Payment Systems in the Aviation Industry

The aviation sector has embraced digital payment solutions to streamline transactions and improve customer experiences. The adoption of diverse payment methods, including mobile

wallets and alternative payment options, has been instrumental in meeting evolving consumer preferences (Choi & Raghavan, 2022). For instance, JetBlue Airways' recent acceptance of Venmo as a payment method exemplifies the industry's shift towards accommodating customer demands for flexible payment options (Genovese, 2025). This move not only simplifies the booking process but also enhances customer satisfaction by offering familiar and convenient payment choices.

Performance Expectancy and Purchase Intention

Performance expectancy refers to the degree to which an individual believes that using a particular system will help them attain gains in job performance (Onaolapo & Oyewole, 2018). In the context of online payment systems, it pertains to the perceived benefits such as speed, convenience, and reliability (Alshannag et al., 2022). Empirical studies have demonstrated that performance expectancy significantly influences consumers' intentions to adopt mobile commerce platforms. For example, research indicates that consumers are more likely to engage in mobile payments when they perceive the system to enhance their transaction efficiency and effectiveness (Barry et al., 2024).

Effort Expectancy and Purchase Intention

Effort expectancy is defined as the degree of ease associated with the use of a system. In online payment contexts, a user-friendly interface and straightforward transaction processes are crucial (Barry et al., 2024). Studies have shown that when consumers find online payment systems easy to use, their intention to engage in such transactions increases. For instance, research on mobile payment continuity intention revealed that consumers are more inclined to continue using mobile payment methods when they perceive them as easy to understand and operate (Anggraeni et al., 2024).

Price Value and Purchase Intention

Price value represents consumers' cognitive trade-off between the perceived benefits of a technology and the monetary cost of using it. In the airline industry, competitive pricing and perceived value are significant determinants of purchase intention (Anuwichanont, 2011). A study on telemedicine adoption found that price value positively impacts the intention to use such services, suggesting that consumers are more likely to adopt technologies that offer substantial benefits relative to their costs (Barry et al., 2024).

Additional Factors Influencing Purchase Intention

Beyond the UTAUT constructs, other factors such as social influence, perceived trust, and website quality also play pivotal roles in shaping purchase intentions. Social influence, or the degree to which individuals perceive that important others believe they should use a new system, has been found to significantly affect behavioral intentions. Additionally, perceived trust in the security and privacy of online transactions enhances consumers' willingness to engage in e-commerce. Moreover, high-quality website design, encompassing aspects like usability and information accuracy, positively impacts consumer satisfaction and purchase intentions (Barry et al., 2024).

Conclusion

In conclusion, the literature highlights the crucial role of digital innovation in shaping consumer behavior within the airline industry. Performance expectancy, effort expectancy, and price value emerge as significant predictors of purchase intention, as supported by the Unified Theory of Acceptance and Use of Technology (UTAUT) framework. Studies consistently show

that consumers are more inclined to adopt and utilize online payment systems when they perceive them as beneficial, easy to use, and offering good value for money. Moreover, additional factors such as trust, website quality, and social influence further contribute to shaping consumer decisions. Understanding these variables provides a solid foundation for examining how Malaysia Airlines' online payment system impacts consumer purchase intention, paving the way for strategic improvements in digital service offerings.

Research Methodology

This study is built around the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2), introduced by Venkatesh et al. (2012), which helps explain why people choose to adopt certain technologies. Unlike earlier models, UTAUT2 brings in more real-life factors like how much others influence our choices, whether we have the right support to use the technology, and even how enjoyable the experience feels. In the context of this study, it shows that a person's willingness to use an online payment system is shaped by how useful and easy it seems, what people around them think, and whether they feel supported throughout the process.
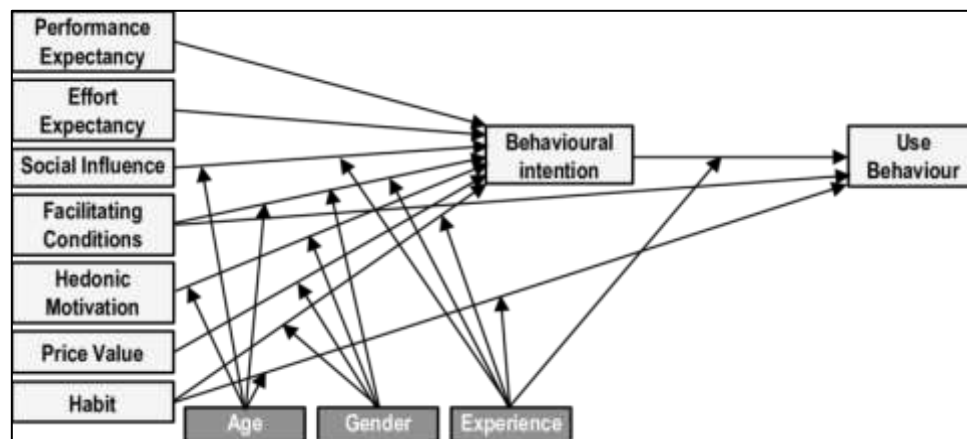

Figure 1: UTAUT2 Framework (Venkatesh et al., 2012)

In this study, three key factors which are performance expectancy, effort expectancy, and price value were selected as the independent variables because they closely reflect the common concerns raised by Malaysia Airlines customers, particularly in relation to the online payment system. These concerns, documented in the 2023 Malaysian Aviation Commission (MAVCOM) Consumer Report, highlight recurring issues such as system reliability, ease of use, and unclear or unexpected charges. As such, these variables are well aligned with the actual user experience and serve as relevant indicators of purchase intention in the airline's digital environment.

This study employs a quantitative research approach, utilizing structured surveys to collect primary data from 391 Malaysian consumers who have used Malaysia Airlines' online payment system. A cross-sectional research design was adopted to examine the relationship between key independent variables (Performance Expectancy, Effort Expectancy, and Price Value) and the dependent variable (Purchase Intention). The study follows a positivist paradigm, focusing on empirical evidence and statistical analysis to validate findings. The target population comprises Malaysian consumers who have used Malaysia Airlines' online payment system within the past 12 months. A non-probability purposive sampling technique was employed to select participants who had relevant experience with the system. To ensure representative data,

demographic factors such as age, gender, income level, and frequency of airline purchases were considered. The sample size of 391 respondents was determined based on Cochran's sampling formula, ensuring a 95% confidence level and a 5% margin of error.

A structured online survey was designed and distributed through digital platforms such as Google Forms, email, and social media. The questionnaire consisted of three main sections: demographic information (age, gender, income level, frequency of airline purchases), measurement of key variables using a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree), and consumer satisfaction & feedback to gather qualitative insights on system usability and experience. Validated measurement scales from recent studies were adapted for performance expectancy and effort expectancy (Barry et al., 2024), price value and purchase intention (Son & Jin, 2019). Each construct was assessed for internal consistency and validity, ensuring Cronbach's Alpha values exceeded the acceptable threshold of 0.70.

Data were analyzed using SPSS version 28.0, incorporating descriptive statistics (mean, standard deviation, frequency distribution) to summarize respondent profiles, reliability testing (Cronbach's Alpha) to assess internal consistency, exploratory factor analysis (EFA) to verify factor loadings and dimensionality, Pearson correlation to examine variable relationships, and multiple regression analysis to determine the significance of predictors influencing purchase intention. Assumptions such as normality, linearity, multicollinearity, and homoscedasticity were tested to ensure model validity. Findings from this analysis provide actionable insights for enhancing the usability and trustworthiness of Malaysia Airlines' online payment system. Based on the UTAUT2 framework and supported by previous literature, this study proposes the following hypotheses to examine the relationship between the independent variables (performance expectancy, effort expectancy, and price value) and the dependent variable (purchase intention among Malaysian consumers of Malaysia Airlines' online payment system).

Table 1: Hypothesis Testing

Hypothesis
H1: There is a significant relationship between performance expectancy and purchase intention among Malaysian consumers.
$H0_1$: There is no significant relationship between performance expectancy and purchase intention among Malaysian consumers.
H2: There is a significant relationship between effort expectancy and purchase intention among Malaysian consumers.
$H0_2$: There is no significant relationship between effort expectancy and purchase intention among Malaysian consumers.
H3: There is a significant relationship between price value and purchase intention among Malaysian consumers.
$H0_3$: There is no significant relationship between price value and purchase intention among Malaysian consumers.

Findings and Discussion

The analysis of survey responses from 391 participants revealed significant insights into the impact of Malaysia Airlines' online payment system on purchase intention. Descriptive statistics indicate that 39.4% of respondents were aged 25-40 years, making them the dominant consumer group. Additionally, 51.9% of respondents were female, suggesting balanced gender distribution in online ticket purchases. Most respondents were frequent travelers who had

purchased airline tickets online at least twice in the past year, demonstrating familiarity with digital payment systems.

Reliability testing using Cronbach's Alpha showed high internal consistency across all constructs, with values exceeding 0.88, confirming the reliability of measurement scales. Exploratory Factor Analysis (EFA) validated the construct dimensionality, ensuring that all indicators loaded significantly on their respective factors.

Correlation analysis demonstrated positive relationships among key variables: Performance Expectancy ($r = 0.767$), Effort Expectancy ($r = 0.683$), and Price Value ($r = 0.696$), all of which significantly influenced Purchase Intention. The strongest correlation was observed between Performance Expectancy and Purchase Intention, highlighting the importance of system efficiency and reliability in influencing consumer behavior.

Multiple Regression Analysis further confirmed that Performance Expectancy ($\beta = 0.481$, $p < 0.001$) had the most substantial impact on purchase intention, followed by Price Value ($\beta = 0.352$, $p < 0.01$) and Effort Expectancy ($\beta = 0.310$, $p < 0.05$). The regression model explained 61.4% of the variance in purchase intention ($R^2 = 0.614$), indicating that the predictors significantly contribute to consumer decision-making.

The findings suggest that consumers are more likely to engage with Malaysia Airlines' online payment system if it is efficient, easy to use, and perceived as offering good value for money. Qualitative feedback revealed that common issues such as transaction failures and unclear pricing reduce consumer trust, emphasizing the need for a seamless and transparent payment system.

Based on the statistical analyses conducted, the results indicate that performance expectancy, effort expectancy, and price value each have a significant and positive relationship with purchase intention among Malaysian consumers using Malaysia Airlines' online payment system. The p-values for all three independent variables were below the 0.05 significance level, confirming that the effects observed are statistically significant. Therefore, all null hypotheses ($H0_1$, $H0_2$, $H0_3$) are rejected, and the alternative hypotheses (H1, H2, H3) are supported. This suggests that improvements in the online payment system's performance, ease of use, and perceived value can effectively enhance customers' intention to make purchases through the platform.

These results align with previous studies on digital payment adoption, reinforcing the need for enhanced user experience, stronger security measures, and competitive pricing strategies to boost customer satisfaction and purchase intention.

Conclusion and Recommendations

Conclusion
The findings of this study confirm that the effectiveness of Malaysia Airlines' online payment system significantly influences consumer purchase intention. The results indicate that Performance Expectancy plays the most critical role in shaping consumer decisions, demonstrating that a highly efficient and reliable online payment system increases consumer confidence and likelihood of purchase. Additionally, Price Value also strongly contributes to purchase intention, highlighting that consumers prefer a transparent pricing structure with

minimal additional fees and perceived financial benefits such as discounts and promotional offers. Effort Expectancy, although slightly less influential than the other two factors, still holds importance, indicating that users value a seamless, user-friendly interface that simplifies the transaction process.

Overall, the regression analysis results confirm that these three factors account for 61.4% of the variance in purchase intention ($R^2 = 0.614$), signifying their combined importance in predicting consumer behavior. The study aligns with previous literature on digital payment adoption, reinforcing the necessity for improved user experience, strong security measures, and fair pricing strategies in online payment systems. Furthermore, consumer feedback revealed that issues such as transaction failures, refund delays, and hidden charges negatively impact trust, which can deter future use of the system. Addressing these concerns through technological improvements, better customer support, and transparency in pricing policies can further enhance consumer adoption of the system.

Recommendations

Based on the findings, several recommendations can be made to enhance Malaysia Airlines' online payment system and further encourage purchase intention among consumers.

First, improving user experience should be a priority. The system should be optimized for faster transaction processing, simplified navigation, and a responsive design that enhances usability across different devices, particularly mobile platforms. Reducing transaction failures and technical errors will also contribute to a more seamless and reliable payment process.

Second, enhancing payment security is crucial in gaining consumer trust. Implementing multi-layer authentication, encrypted transactions, and fraud detection mechanisms can help mitigate concerns about cybersecurity threats. Additionally, providing clear information on data protection policies will reassure customers that their personal and financial information is secure.

Third, ensuring transparency in pricing can address consumer concerns related to hidden fees or unexpected charges. Malaysia Airlines should adopt a straightforward pricing strategy that clearly displays total costs, applicable taxes, and service fees before confirming the payment. Offering promotional discounts, loyalty rewards, or lower transaction fees for direct bookings may also encourage consumers to choose their online payment system over third-party alternatives.

Lastly, customer support and feedback mechanisms should be improved to enhance consumer trust and engagement. A dedicated helpline, chatbot assistance, and a user-friendly complaint resolution system can increase consumer confidence and satisfaction. Providing real-time updates on payment status and refund processes can also contribute to a more positive user experience.

By implementing these recommendations, Malaysia Airlines can further strengthen its online payment system, improve customer satisfaction, and drive higher purchase intention among consumers.

Acknowledgements

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